

ZENN Motor Company Inc.
Toronto, Ontario, Canada
(TSXV: ZNN)

ZENN MOTOR COMPANY ANNOUNCES AGREEMENT TO ACQUIRE SERIES A EESTOR SHARES

Toronto, Ontario – August 7, 2013 – ZENN Motor Company Inc. (TSXV: ZNN; “ZENN” or the “Company”), announced today that it has entered into an agreement to acquire additional shares of privately held EESstor, Inc. (“EESstor”) of Cedar Park, Texas. Under the agreement, ZENN has agreed to purchase 502,344 shares of Series A Preferred Stock (the “Series A Shares”) of EESstor and certain rights associated with the ownership of such shares from KPCB Holdings Inc., as nominee, 2004 Topfer Gifting Trust and Longshot Holdings, L.P. The aggregate purchase price for the Series A Shares is US\$2.0 million in cash and the issuance of 3.0 million shares of ZENN common stock. The transaction is expected to be completed within 60 days, subject to the satisfaction of a number of conditions, including the completion by ZENN of equity financing to fund the cash portion of the purchase price and approval of the TSX Venture Exchange.

ZENN intends to raise up to \$3.5 million through a non-brokered private placement of equity securities to fund the purchase and for general corporate purposes.

The Series A Shares have a number of associated rights including representation on EESstor’s board of directors, voting rights on an as-converted basis, rights of first refusal and co-sale rights, protection in the event of liquidation and are convertible into shares of common stock of EESstor. The Series A Shares represent approximately 99.08% of the outstanding Series A Shares and approximately 30% of the outstanding equity and voting shares of EESstor on an as-converted basis. ZENN also holds 179,000 shares of common stock of EESstor representing approximately 11% of the outstanding shares of EESstor common stock. Assuming the Series A Shares are acquired and converted and no other shares of EESstor are issued, ZENN would hold approximately 41% of the outstanding equity and voting shares of EESstor.

Jim Kofman, Chairman and Chief Executive Officer of ZENN commented, “This purchase represents a unique opportunity for ZENN to build on its partnership with EESstor and to increase its investment in EESstor. ZENN is committed to providing the necessary resources and assistance to EESstor over the long term to help its technologies progress.” Roger Hammock, ZENN’s Executive Vice-President, EESstor Relations added, “For ZENN, the transaction is transformational in that it dramatically increases ZENN’s connection to all of EESstor’s opportunities and fully aligns the businesses of both companies. The Series A Shares provide ZENN increased visibility into and participation with EESstor. Over the past year it has become clear that traditional capacitor markets represent an attractive market that might be more rapidly addressed with EESstor’s technology. With an increased stake in EESstor, ZENN is better positioned to participate in all potential markets.”

About ZENN Motor Company Inc.

The Company’s goal is to be the provider of leading edge power storage solutions and related technologies to the transportation industry. Technologies and solutions, powered by EESstor’s electrical energy storage units (EESU) have the potential to enable OEM and Tier 1 partners to deliver advanced electric transportation solutions to their customers.

Information contained in this release relating to EESstor, Inc. or the energy storage technology being developed by EESstor has not been reviewed by EESstor and EESstor does not assume any responsibility for the accuracy or completeness of such information.

Unless otherwise indicated, public disclosures by EESstor of developments in the commercialization of its energy storage technology have not been independently verified by ZENN. EESstor's energy storage technology is still under development and a number of further development milestones must be achieved before commercial viability can be established. There are significant risks associated with the development of new technologies such as EESstor's energy storage technology and readers are directed to the "Risk Factors" disclosed in ZENN's most recent Annual Information Form filed on SEDAR

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